

Message Text

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PAGE 01 STATE 281356

73

ORIGIN TRSE-00

INFO OCT-01 AF-04 EUR-12 EA-06 NEA-06 ISO-00 FEA-01 AEC-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-01 INR-05 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 RSC-01 SAM-01 OES-03 SP-02 SS-15 STR-01 FRB-01

OPIC-03 /099 R

DRAFTED BY TREASURY:JNEWMAN:MAR

APPROVED BY NEA/RA:SEPALMER,JR.

TREASURY - MR. PARSKY (SUBS)

COMMERCE/CAGNE:PHALE (SUBS)

OPIC:CMIDDLETON (SUBS)

EB/CBA:JNESVIG (SUBS)

EB/OIA:WWITTING (SUBS)

NEA/RA:H MONTGOMERY

NEA/ARN:DKORN (SUBS)

----- 031068

R 242149Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY KUWAIT

AMEMBASSY TRIPOLI

AMEMBASSY ABU DHABI

AMEMBASSY JIDDA

AMEMBASSY TEHRAN

INFO AMEMBASSY CAIRO

AMEMBASSY BEIRUT

AMEMBASSY ALGIERS

AMEMBASSY DAMASCUS

AMEMBASSY TUNIS

AMEMBASSY LONDON

AMEMBASSY JAKARTA

AMEMBASSY KHARTOUM

AMEMBASSY AMMAN

AMEMBASSY KABUL

AMEMBASSY ISLAMABAD

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PAGE 02 STATE 281356

AMEMBASSY SANAA

AMEMBASSY RABAT
AMEMBASSY COLOMBO
AMEMBASSY NEW DELHI
AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS:EINV,EFIN,EAID,XF,KU,LY,TC,SA,AG,
SUBJECT:TRIPARTITE INVESTMENT IN LDC'S UTILIZING MIDDLE
EAST OIL FUNDS

1. AS POSTS AWARE, USG HAS MADE INITIAL SOUNDINGS ON FAC-
ILITATING TRIANGULAR INVESTMENT VENTURES BY WHICH ME OIL
FUNDS COULD BE COMBINED WITH TECHNOLOGY, MANAGEMENT, ETC.,
FROM US AND OTHER ADVANCED NATIONS FOR INVESTMENT PROJECTS
IN LDC'S, PARTICULARLY HAVE-NOT COUNTRIES IN ME AREA LIKE
EGYPT, SYRIA, AND JORDAN. US-EGYPTIAN JOINT COMMISSION HAS
ADDRESSED THIS AS POSSIBLE SPUR TO INDUSTRIAL DEVELOPMENT
IN EGYPT, AND TREASURY ASSISTANT SECRETARY PARSKY HAS DIS-
CUSSED QUESTION WITH KUWAITI FINANCIAL AUTHORITIES.

2. IN RECENT MONTHS THERE HAVE BEEN MANY EXPRESSIONS OF
PRIVATE INVESTOR INTEREST IN ME BUT FEW DEALS OF THIS SORT
HAVE GONE FORWARD EVEN WHERE POTENTIAL ARAB PARTNERS HAVE
SHOWN HARD INTEREST. THE APPARENT POTENTIAL FOR TRI-
ANGULAR INVESTMENT IS YET TO BE FULFILLED.

3. WE WISH MOVE THIS ISSUE FORWARD, PARTICULARLY BY
INVESTIGATING POSSIBLE WAYS OF ENCOURAGING DEVELOPMENT OF
EFFECTIVE MECHANISMS BY WHICH TRIANGULAR INVESTMENT CAN BE
ARRANGED WITH MAXIMUM POSSIBLE INVOLVEMENT OF PRIVATE
SECTOR AND MINIMUM US GOVERNMENTAL ROLE. USG, BOTH IN JOINT
COMMISSION FRAMEWORK AND IN REGULAR DIPLOMATIC CHANNELS,
WOULD CONCENTRATE ON MORE TRADITIONAL ROLE OF HELPING
COUNTRIES ESTABLISH PROPER DOMESTIC INSTITUTIONAL FRAME-
WORK FOR ATTRACTING FOREIGN INVESTMENT, E.G. THROUGH
PROPER INVESTMENT AND TAX LAWS, APPROPRIATE ECONOMIC
POLICIES, A RESPONSIVE BUREAUCRATIC SYSTEM, AND APPROPRIATE
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PAGE 03 STATE 281356

PUBLIC RELATIONS EFFORT.

4. TO ENABLE US TO ANALYZE WAYS IN WHICH EXPRESSIONS OF US
INVESTOR INTEREST CAN BE TRANSLATED INTO CONCRETE PROJECTS
WITH HELP OF ME OIL FUNDS, WE WOULD APPRECIATE ASSISTANCE
OF ADDRESSES IN HELPING US OBTAIN COMPREHENSIVE PICTURE OF
EXISTING EFFORTS AND DEVICES. IN PARTICULAR WOULD APPRECI-
ATE INFORMATION POSTS HAVE OR CAN DEVELOP IN REASONABLY
SHORT PERIOD OF TIME ON FOLLOWING::;

A. NAMES OF EXISTING BANKS, FUNDS, GOVERNMENT OR QUASI-GOVERNMENTAL BODIES, PRIVATE ENTITIES, ETC. IN ME OIL PRODUCING COUNTRIES WHICH ARE PREPARED TO INVEST IN LDC'S AND, IN PARTICULAR, HAVE-NOT ME COUNTRIES; RELEVANT PARTICULARS ON INSTITUTIONS INCLUDING WHETHER THEY ARE PRIVATE OR PUBLIC; NAMES OF INDIVIDUALS WHO WOULD BE MAIN POINTS OF CONTACT FOR POTENTIAL INVESTORS; WHETHER INVESTMENTS BY THOSE INSTITUTIONS MUST BE IN EQUITY OR DEBT; SPECIFIC COMMITMENTS BY INSTITUTIONS DURING PAST YEAR AND WHETHER THESE INVOLVED EQUITY PARTICIPATION; WHETHER THERE ARE FORMAL OR DE FACTO GEOGRAPHIC LIMITATIONS ON ACTIVITIES OF THESE INSTITUTIONS; AND ANY OTHER CONDITIONS THEY IMPOSE ON INVESTING ABROAD.

B. OTHER INSTITUTIONS, LOCAL AND FOREIGN, WHICH WHILE NOT IMPORTANT SOURCES OF ME INVESTMENT FUNDS SERVE AS INTER-MEDIARIES OR CHANNELS TO FACILITATE INVESTMENT TO SUCH FUNDS IN OTHER LDC'S. SIMILAR DETAILS, AS IN PARA A ARE REQUESTED.

C. VIEWS OF GOVERNMENTS AND PUBLIC AND PRIVATE INSTITUTIONS ON (1) POTENTIAL FOR TRIPARTITE INVESTMENT IN GENERAL; (2) PARTICULAR PROBLEMS OF INVESTING IN NON-OIL ME COUNTRIES; (3) ANY STEPS REQUIRED TO FACILITATE TRIPARTITE INVESTMENT ON E.G. INVESTMENT GUARANTEES; (4) ROLES PRIVATE WESTERN FINANCIAL INSTITUTIONS, MANAGEMENT CONSULTANTS OR OTHERS CAN PLAY IN BRINGING TOGETHER POTENTIAL PARTNERS.

D. EMBASSY'S VIEWS ON POTENTIAL FOR TRIPARTITE INVESTMENT UTILIZING PUBLIC OR PRIVATE HOST COUNTRY CAPITAL. ALSO, EMBASSY'S JUDGMENT ON WHETHER EXISTING INSTITUTIONS LIMITED OFFICIAL USE

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PAGE 04 STATE 281356

LISTED IN 4(A) ABOVE ARE NOW SERVING OR ARE CAPABLE OF SERVING AS EFFECTIVE MECHANISMS FOR CARRYING OUT TRIANGULAR

INVESTMENT PROPOSALS; VIEWS ON PRESENT AND POTENTIAL EFFECTIVENESS OF INSTITUTIONS LISTED IN 4(B) FOR THIS PURPOSE.

5. ACTION POSTS MAY REFERENCE AND UPDATE PREVIOUS COMMUNICATIONS CONTAINING PORTION OF REQUESTED DATA. PLEASE CABLE INITIAL RESPONSES BY JANUARY 10.

6. INFORMATION ADDRESSEES: POSTS IN FINANCIAL CENTERS OR POTENTIAL RECIPIENT COUNTRIES FOR INVESTMENT ARE INVITED TO COMMENT, ESPECIALLY ON INTERMEDIARY INSTITUTIONS (PARA 4(B) OR MODALITIES OF SPECIFIC TRIANGULAR DEALS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, PETROLEUM, LESS DEVELOPED COUNTRIES, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: JNEWMAN:MAR
Enclosure: n/a
Executive Order: N/A
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From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741211/aaaaajfe.tel
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2002 by boyleja>; APPROVED <25 MAR 2003 by ShawDG>
Review Markings:

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US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Withdrawn Fields: n/a
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TAGS: EINV, EFIN, EAID, XF, KU, LY, TC, SA
To: KUWAIT MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005